

(2)
No. 87-591

Supreme Court, U.S.
E I L E D
NOV 13 1987
JOSEPH F. SPANIOL, JR.,
CLERK

**In the
Supreme Court of the United States**

October Term, 1987

OLIVER POLLARD, JR.,
Petitioner,

v.

REA MAGNET WIRE COMPANY, INC.,
Respondent.

**ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF
APPEALS FOR THE SEVENTH CIRCUIT**

**RESPONDENT'S BRIEF IN OPPOSITION
AND APPENDIX**

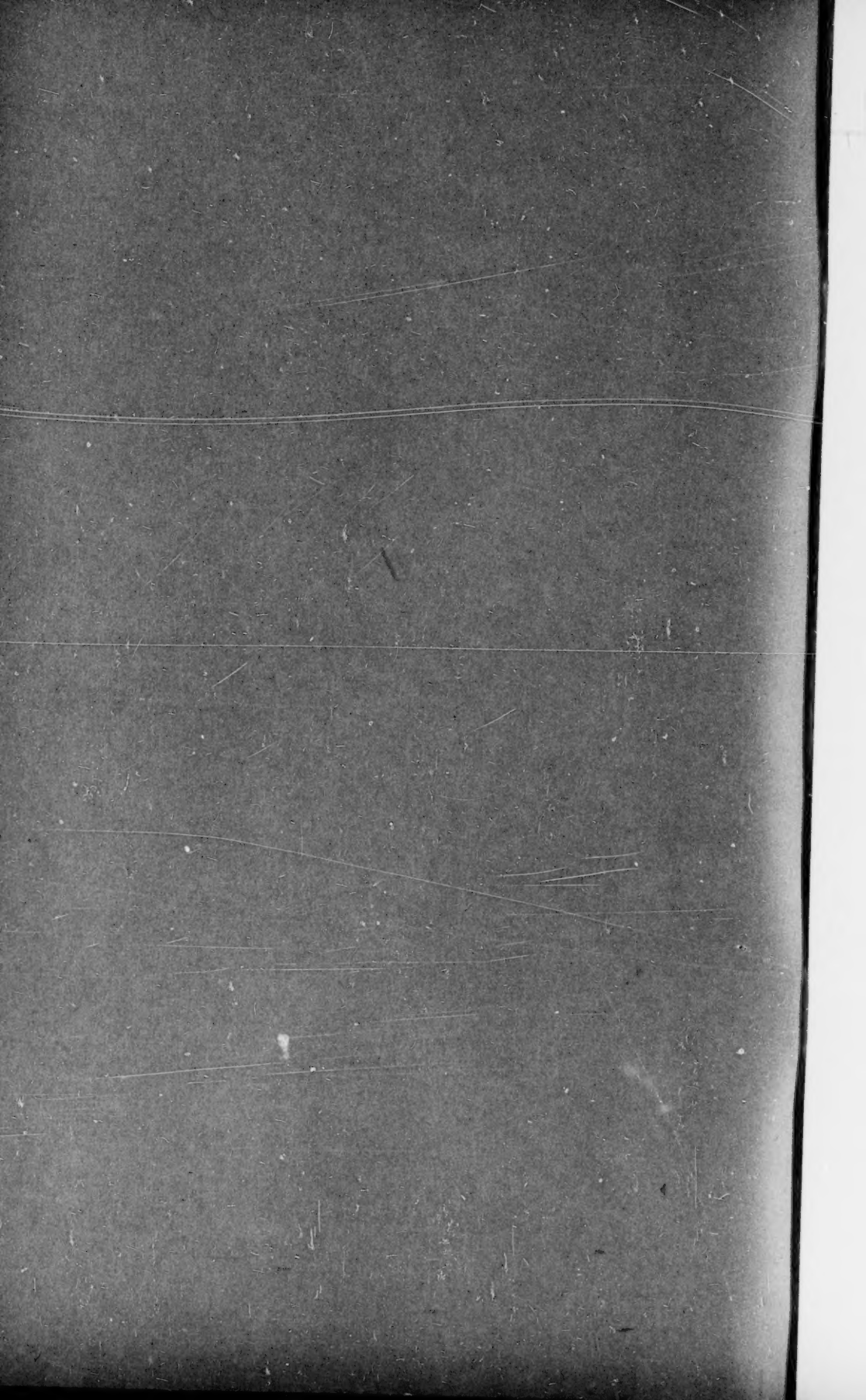
R. LEE HOLZ*
RUSSELL W. PORTER, JR.
MARLENE W. JACKSON

**ALUMINUM COMPANY OF AMERICA
1501 Alcoa Building
Pittsburgh, Pennsylvania 15219
(412) 553-4232**

Attorneys for Respondent

***Counsel of Record**

34



QUESTIONS PRESENTED FOR REVIEW

- I. WHETHER THE SEVENTH CIRCUIT APPLIED THE PROPER STANDARD OF APPELLATE REVIEW UNDER *Anderson v. Bessemer City*, 470 U.S. 564 (1985) AND *Pullman-Standard v. Swint*, 456 U.S. 273 (1982) IN REVERSING THE DISTRICT COURT'S DECISION THAT PLAINTIFF HAD PROVEN A RACIALLY DISCRIMINATORY TERMINATION IN VIOLATION OF TITLE VII OF THE CIVIL RIGHTS ACT, 42 U.S.C. § 2000e *et seq.*
- II. WHETHER THE DISTRICT COURT'S FINDING OF RACIAL DISCRIMINATION IN THE ABSENCE OF ANY EVIDENTIARY SUPPORT ON THE ESSENTIAL ISSUE OF DISCRIMINATORY INTENT MISAPPLIED THE GOVERNING LEGAL PRINCIPLES IN TITLE VII DISCRIMINATION CASES WARRANTING REVERSAL UNDER THE RULING IN *Pullman-Standard v. Swint*.

STATEMENT PURSUANT TO RULE 28.1

Respondent, Rea Magnet Wire Company, Inc., was at all times relevant to this matter a wholly-owned subsidiary of Aluminum Company of America ("Alcoa"). Alcoa has no parent company. The companies (other than wholly-owned subsidiaries) in which Alcoa has an ownership interest are listed in the Respondent's Appendix at R.Ap. 7. Rea Magnet Wire Company, Inc. was sold to a group of employees on March 6, 1986. Rea Magnet Wire Company, Inc. has no parent company.

TABLE OF CONTENTS

	<u>Page</u>
QUESTIONS PRESENTED	i
STATEMENT PURSUANT TO RULE 28.1	ii
TABLE OF AUTHORITIES	v
METHOD OF CITATION	vi
JURISDICTION	1
STATEMENT OF THE CASE	2
REASONS FOR DENYING THE WRIT	6
I. THE SEVENTH CIRCUIT APPLIED THE PROPER STANDARD OF APPELLATE REVIEW UNDER <i>Anderson v. Bessemer City</i> AND <i>Pullman-Standard v. Swint</i> IN REVERS- ING THE DISTRICT COURT'S DECISION THAT PLAINTIFF HAD PROVEN A RACIALLY DISCRIMINATORY TERMINA- TION IN VIOLATION OF TITLE VII OF THE CIVIL RIGHTS ACT.....	6
A. THE PLAINTIFF MISCONSTRUES THE SEVENTH CIRCUIT'S USE OF THE TERM "MISTAKE" IN ITS OPINION; THE SEVENTH CIRCUIT DID NOT DIS- TURB THE DISTRICT COURT'S FIND- INGS OF FACT AND DID NOT SUBSTI- TUTE ITS OWN CHARACTERIZATION OF PLAINTIFF'S PROOF FOR THAT OF THE DISTRICT COURT.....	7

Pages

II. THE DISTRICT COURT'S FINDING OF RACIAL DISCRIMINATION IN THE ABSENCE OF ANY EVIDENTIARY SUP- PORT ON THE ESSENTIAL ISSUE OF DIS- CRIMINATORY INTENT MISAPPLIED THE GOVERNING LEGAL PRINCIPLES IN TITLE VII DISCRIMINATION CASES; THEREFORE, THE SEVENTH CIRCUIT PROPERLY REVERSED THE DISTRICT COURT'S FINDING OF RACIAL DISCRIMI- NATION UNDER <i>Pullman-Standard v. Swint</i> ...	9
CONCLUSION	12

APPENDIX

Collective Bargaining Agreement	
Article 9, Section 4. Termination of Seniority	R.Ap. 1-2
Article 18. Management Actions	R.Ap. 3
Rea Magnet's Policy on Absenteeism	R.Ap. 4-6
Firms in Which Alcoa Has an Ownership Interest	R.Ap. 7-14

TABLE OF AUTHORITIES

CASES

	<u>Page</u>
<i>Anderson v. Bessemer City</i> , 470 U.S. 564 (1985) ..	6, 7, 8
<i>Furnco Construction Corp. v. Waters</i> , 438 U.S. 567 (1978)	9, 11
<i>Icicle Seafoods, Inc. v. Worthington</i> , 475 U.S. 709 (1986)	7
<i>McDonnell Douglas Corp. v. Green</i> , 411 U.S. 792 (1973)	10
<i>Pullman-Standard v. Swint</i> , 456 U.S. 273 (1982)	6, 7, 9, 11
<i>International Brotherhood of Teamsters</i> <i>v. United States</i> , 431 U.S. 324 (1977)	10, 11
<i>Texas Department of Community Affairs v. Burdine</i> , 450 U.S. 248 (1981)	10, 11

STATUTES AND RULES

Title VII of the Civil Rights Act, 42 U.S.C. § 2000e <i>et seq.</i>	6, 7
28 U.S.C. § 1254(1)	1
SUP. CT. R. 17	12
SUP. CT. R. 17.1(c)	1
SUP. CT. R. 28.1	ii
FED. R. CIV. P. 52	7

METHOD OF CITATION

1. Respondent's Appendix is herein referenced as "R.Ap.". Respondent's Appendix is included herein beginning at R.Ap. 1.
2. Petitioner's Appendix, found at the back of the Petition for Writ of Certiorari is referenced herein as "P.Ap.".

No. 87-591

**In the
Supreme Court of the United States**

October Term, 1987

OLIVER POLLARD, JR.,
Petitioner,

v.

REA MAGNET WIRE COMPANY, INC.,
Respondent.

**ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF
APPEALS FOR THE SEVENTH CIRCUIT**

**RESPONDENT'S BRIEF IN OPPOSITION
AND APPENDIX**

JURISDICTION

Jurisdiction of this Court is predicated on 28 U.S.C. §1254(1) and Rule 17.1(c) of the Supreme Court Rules. As demonstrated in the argument presented herein, the decision of the Seventh Circuit Court of Appeals is entirely consistent with the decisions of this Court and there is no important question of unsettled Federal law presented. Accordingly, a sufficient reason for the court exercising its certiorari jurisdiction has not been demonstrated.

STATEMENT OF THE CASE

Oliver Pollard ("Pollard"), a black male, was hired by Rea Magnet Wire Company, Inc. ("Rea") on November 8, 1978 as an hourly employee and remained as such until August 21, 1984 when his employment at Rea was terminated.

During the years Pollard was employed by Rea, each hourly employee, including Pollard, was covered by a Collective Bargaining Agreement between Local 863 of the International Union of Electronic, Electrical, Technical, Salaried and Machine Workers, AFL-CIO ("IUE") and Rea. Article 9, Section 4F, of the relevant Collective Bargaining Agreement, as had all previous agreements, provided, in pertinent part:

All seniority and employment of an employee shall terminate if . . . :

* * *

F. The employee is absent for a continuous period including five (5) scheduled work days without permission unless it was not reasonably possible for the employee to request such permission of the Company.¹

Neither Rea nor Local 863 published a written definition of the phrase "without permission," nor did they publish procedures as to how permission could be obtained. Rea's customary practice required an employee to seek prior approval of the Personnel Department or to subsequently present a doctor's excuse for absences of three or more days.

¹All relevant portions of Article 9 of the governing Collective Bargaining Agreement are set forth at R.Ap. 1.

In July 1982, under a separate article of the Collective Bargaining Agreement, Article 18 (R.Ap. 3), dealing with management rights, Rea had instituted an absentee policy to deal with excessive tardiness and absenteeism in the work force (R.Ap. 4, 5, 6). This policy was based upon a scheme of progressive discipline, using a point system to reward punctuality and attendance, and to deter tardiness and absenteeism. The absentee policy was not designed to be the exclusive vehicle for administering discipline at Rea and referenced the "Termination of Seniority" provisions contained in Article 9 of the Collective Bargaining Agreement (R.Ap. 4).

In 1983 Pollard asked that he be given a leave of absence in August 1983, so that he could participate in a body building event in Las Vegas as "Mr. Fort Wayne." Rea's Personnel Manager, Susan K. Vachon ("Vachon"), granted Pollard the leave he had requested. In June 1984 Pollard again asked permission for a one week leave of absence for the week of July 23, 1984, so that he could again attend the body building event in Las Vegas. Pollard's request was denied by Rea because his services would be needed for the week of July 23, 1984, the first week of plant operation following shutdown. At the time Pollard made his request he had no vacation time remaining.

Oliver Pollard did not report to work the entire week of July 23, 1984. Pollard, or someone on his behalf, called in each day of the week. Pollard's sister called in for him on Friday, July 27, 1984, and was told to tell Pollard to report to the personnel office before his shift began on Monday, July 30, 1984.

Pollard telephoned Vachon early in the day on July 30, 1984 and later that day, Pollard, Kevin Barnes—

Pollard's union representative, and Vachon met to discuss Pollard's week long absence from work. When Vachon asked Pollard why he had been absent, Pollard said that he was out for the week with an ankle injury, but indicated that he had not consulted a doctor. At the end of that meeting, Pollard was placed on indefinite suspension pending investigation into his absence. During the suspension period, Rea uncovered no additional information relating to Pollard's whereabouts during the week of July 23, 1984. Although Vachon tried contacting the airlines, they would give her no information.

In the end, Rea's management, in good faith, did not believe that Pollard was absent from work due to an ankle injury. The coincidence surrounding Pollard's request for leave coupled with this absence was suspicious. In addition, Pollard's prior injury experience had impugned his credibility in the eyes of Rea's management. In 1983 Pollard received a three-day disciplinary suspension, after his Supervisor—John Young, and Steve Cadwallader ("Cadwallader")—the Plant Manager, had observed him lifting weights at a local health spa while off work and collecting workers' compensation benefits for a back injury.

Rea's management (Vachon, Cadwallader, Al Hyman ("Hyman")—Labor Relations Manager, and Kelly Nay ("Nay")—the Operations Manager) discussed Pollard's absences and agreed that Pollard's failure to report to work for five continuously scheduled workdays after having been denied permission to take the time off and Pollard's failure to furnish medical substantiation of his injury or his absence was a clear violation of the provisions of the Collective Bargaining Agreement, Article 9, Section 4.F. Accordingly, in an August 21, 1984 meeting with Vachon,

Young and Grable Cheek—Pollard's union representative, Pollard was told that his employment was terminated.

At trial Pollard testified in his own behalf and called three additional witnesses, Debra Pollard, Bruce Reinders ("Reinders") and Duval Bailey ("Bailey") in an attempt to establish discriminatory intent. Debra Pollard's testimony was totally discredited on cross-examination and not considered by the court. The testimony of Reinders and Bailey was later ruled inadmissible by the court. No other evidence going to discriminatory intent was offered.

As part of its burden of articulation, Rea called as witnesses, Hyman, Cadwallader and Vachon, members of Rea's management who participated in the decision to suspend and terminate Pollard. Rea introduced evidence that two other employees, Donald Dame ("Dame"), a white male, and Thomas Gomez ("Gomez"), an Hispanic male, were terminated under Article 9, Section 4.F. for missing (5) consecutive days of work without permission. Rea also introduced evidence that no one who missed five (5) consecutive days had ever been disciplined under the absentee policy.

REASONS FOR DENYING THE WRIT

I. THE SEVENTH CIRCUIT APPLIED THE PROPER STANDARD OF APPELLATE REVIEW UNDER *Anderson v. Bessemer City* AND *Pullman-Standard v. Swint* IN REVERSING THE DISTRICT COURT'S DECISION THAT PLAINTIFF HAD PROVEN A RACIALLY DISCRIMINATORY TERMINATION IN VIOLATION OF TITLE VII OF THE CIVIL RIGHTS ACT.

In support of his petition Pollard advances the argument that the Seventh Circuit's decision fails to apply the "clearly erroneous" standard of appellate review and thereby conflicts with this Court's ruling in *Anderson v. Bessemer City*, 470 U.S. 564 (1985). Pollard contends that the Seventh Circuit overstepped the bounds of its duty under the clearly erroneous standard of appellate review by engaging in an impermissible *de novo* fact finding, "a blatant reweighing of the evidence," and by concluding that Rea's termination of Pollard was the result of a "mistake" and not the result of racial animus, Petitioner's Brief at 6. Pollard continues, arguing that the Seventh Circuit's "finding" of "mistake" interjects a new theory of defense that Pollard was unable to contest at trial. *Id.* This misleading account of the Seventh Circuit's decision misstates the reasoning of the appellate court and mischaracterizes the Seventh Circuit's use of the term "mistake" in its opinion.

The Supreme Court firmly settled the proper standard of appellate review of a district court's findings of fact and conclusions of law in *Anderson*, 470 U.S. at 573 (1985), holding that the court of appeals in reviewing a discrimination case under Title VII of the Civil Rights Act, 42 U.S.C.

§ 2000e *et seq.*, is bound by Rule 52 of the Federal Rules of Civil Procedure to accept the district court's findings of fact, including the ultimate factual finding of intentional discrimination, unless they are "clearly erroneous." The clearly erroneous standard does not, however, inhibit an appellate court's power to correct errors of law, including those that involve a finding of fact that is predicated on a misunderstanding of the applicable law. The Supreme Court stressed in *Pullman-Standard v. Swint*, 456 U.S. 273, 287 (1982) and recently reaffirmed in *Icicle Seafoods, Inc. v. Worthington*, 475 U.S. 709 (1986) that "... if a district court's findings rest on an erroneous view of the law, they may be set aside on that basis."

A. THE PLAINTIFF MISCONSTRUES THE SEVENTH CIRCUIT'S USE OF THE TERM "MISTAKE" IN ITS OPINION; THE SEVENTH CIRCUIT DID NOT DISTURB THE DISTRICT COURT'S FINDINGS OF FACT AND DID NOT SUBSTITUTE ITS OWN CHARACTERIZATION OF PLAINTIFF'S PROOF FOR THAT OF THE DISTRICT COURT.

The Seventh Circuit properly applied the principles established in *Pullman-Standard* and *Anderson* in this case. A review of the Seventh Circuit's opinion undeniably demonstrates that the appellate court accorded the factual findings of the district court the appropriate deference required by the clearly erroneous standard; the Seventh Circuit did not challenge, disregard, alter or disagree with the district court's resolution of any of the factual issues. Indeed, the Seventh Circuit ruled that none of the factual findings were clearly erroneous (P.Ap. 22, 25).

The district court found on one hand that Rea's management honestly believed that Pollard fabricated the story about his ankle to excuse his absence from work: "The management at Rea did not believe that Pollard had an ankle injury. The management of Rea did not believe Pollard because of an earlier incident involving his back injury, and because Pollard's injury coincided with his requested leave which was denied." (P.Ap. 4, 5). On the other hand, the district court concluded that Rea intentionally discriminated against Pollard because of his race (P.Ap. 3, 5, 24). The Seventh Circuit was faced with reconciling these legally inconsistent conclusions. In doing so, the Seventh Circuit reasoned that "the [district] court found . . . that Rea did not have good cause to fire Pollard . . . [T]he district judge found that the management at Rea correctly described its motivation, although its decision was based on an incorrect belief." (P.Ap. 24). The "mistake" referenced by the Seventh Circuit does not represent the Seventh Circuit's *de novo* determination of Rea's motivation in terminating Pollard in violation of the rule established in *Anderson, supra*. Rather, it represents the only logically consistent explanation for the district court's otherwise incongruent legal conclusions.

"Mistake" as used by the Seventh Circuit refers to the district court's value judgment that despite Rea's honest explanation of the reasons behind its decision Rea did not have a good reason for terminating Pollard; that is, Rea's management made a "mistake" of judgment in discharging Pollard (P.Ap. 24). The Seventh Circuit did not reverse the district court because it disagreed with the district court's finding of lack of "good cause." The Seventh Circuit correctly reversed the district court's decision because "[a]

reason honestly described but poorly founded is not a pretext, as that term is used in the law of discrimination." (P.Ap. 24).

II. THE DISTRICT COURT'S FINDING OF RACIAL DISCRIMINATION IN THE ABSENCE OF ANY EVIDENTIARY SUPPORT ON THE ESSENTIAL ISSUE OF DISCRIMINATORY INTENT MISAPPLIED THE GOVERNING LEGAL PRINCIPLES IN TITLE VII DISCRIMINATION CASES; THEREFORE, THE SEVENTH CIRCUIT PROPERLY REVERSED THE DISTRICT COURT'S FINDING OF RACIAL DISCRIMINATION UNDER *Pullman-Standard v. Swint*.

As a second basis in support of granting certiorari, Pollard asserts that the Seventh Circuit erred as a matter of law by requiring him to prove pretext for discrimination. Pollard reasons that under this Court's ruling in *Furnco Construction Corp. v. Waters*, 438 U.S. 567 (1978), it was sufficient for him to show pretext, for "if pretext is shown, it is presumed to be pretext for discrimination." Petitioner's Brief at 7. This is not a fair reading of the holding in *Furnco*, particularly under the facts of this case. Pollard misconstrues not only the quality and character of the evidence required to establish a violation of Title VII but also misconstrues the quality and character of evidence before the district court. The issue incorrectly decided by the district court and rectified by the Seventh Circuit involved the far more basic issue of whether Pollard met his evidentiary burden. The Seventh Circuit held that Pollard failed to meet his burden of proof because there was

no evidence from which the district court could have reasonably inferred that Rea's actions were pretext for discrimination or that Rea acted with intent to discriminate (P.Ap. 25).

The critical issue in any Title VII disparate treatment case is always that of intent. *International Brotherhood of Teamsters v. United States*, 431 U.S. 324, 335-336, n.15, (1977). Once an employer articulates an acceptable, legitimate, non-discriminatory reason for its actions, as Rea did, the burden shifts back to the plaintiff to prove by a preponderance of the evidence that the reason given by the employer is not the true reason. This burden then merges with plaintiff's ultimate burden of proving he has been the victim of intentional discrimination. *Texas Department of Community Affairs v. Burdine*, 450 U.S. 248, 256 (1981). A plaintiff may do this by direct evidence or through the use of indirect evidence such as comparative evidence, statistical evidence, or evidence of the employer's past practices or past treatment of the plaintiff. *McDonnell Douglas Corp. v. Green*, 411 U.S. 792, 804-805 (1973).

Pollard failed to meet this burden. At trial Pollard did not discredit Rea's reasons for discharging Pollard and utilized none of the usual forms of direct or circumstantial evidence to prove a discriminatory motive (P.Ap. 22, 23). Instead, Pollard sought to establish Rea's intent to discriminate against Pollard through the use of reputation and opinion evidence regarding the character of Susan Vachon, Rea's Personnel Manager. When this evidence was subsequently ruled inadmissible, Pollard was left without evidence from which a trier of fact could reasonably find the requisite intent. Pollard, as did the district court, now attempts to infer this discriminatory intent by equating

Rea's discharge of Pollard without "good cause" to pretext for discrimination.

Whether Rea had a good reason, a bad reason or an incorrect reason for terminating Pollard is not dispositive of Pollard's racial discrimination claim. Once Rea articulated a non-discriminatory reason for its action, Pollard was required to establish that Rea's articulated reason was "pretext for discrimination" by proving by a preponderance of the evidence, the "critical" element of intentional unlawful discrimination. *See Teamsters*, 431 U.S. at 335 n. 15; *Furnco*, 438 U.S. at 577; *Burdine*, 450 U.S. at 256. The district court clearly misapplied the settled law in Title VII cases by finding that Rea's honestly held, albeit ill-informed or ill-considered, reason for terminating Pollard was unlawful racial discrimination because there was absolutely no evidence in the record upon which the district court could logically have inferred discriminatory motivation on the part of Rea (P.Ap. 24).

In a case such as this, where the district court's subsidiary factual findings are not contested, but the district court misapplied the proper rule of law to those findings in reaching its ultimate conclusion, the Seventh Circuit correctly reversed the district court's decision that Pollard was discharged because of his race; the Seventh Circuit's reversal is entirely consistent with the rule established in *Pullman-Standard*. Under the facts of this case, Pollard showed neither pretext for discrimination nor intentional discrimination. Pollard had no evidence with which to prove he was the victim of intentional discrimination. Without it, his Title VII claim failed as a matter of law.

CONCLUSION

Rule 17 of the Rules of the Supreme Court of the United States declares that "[a] review of writ of certiorari is not a matter of right, but of judicial discretion, and will be granted only when there are special and important reasons therefor." Both reasons advanced by the Petitioner in support of an allowance of a writ of certiorari are without merit and fail to justify a review by this Court. Accordingly, Pollard's Petition for Writ of Certiorari should be denied.

Respectfully submitted,

R. LEE HOLZ*

RUSSELL W. PORTER, JR.

MARLENE W. JACKSON

1501 Alcoa Building

Pittsburgh, PA. 15219

(412) 553-4232

Attorneys for Respondent.

Dated: November 10, 1987

* Counsel of Record

APPENDIX

R.Ap.1

COLLECTIVE BARGAINING AGREEMENT

Between

REA MAGNET WIRE COMPANY, INC.

and

**INTERNATIONAL UNION OF ELECTRONIC,
ELECTRICAL, TECHNICAL, SALARIED AND
MACHINE WORKERS, AFL-CIO, LOCAL 863**

ARTICLE 9

Seniority

Section 4. Termination of Seniority

All seniority and employment of an employee shall terminate if any of the following occurs during the term of this Agreement:

A. The employee quits or¹ is discharged or dismissed for just cause.

B. The employee does not return from military leave within the period described by law.

C. The employee fails to return to work when recalled from layoff as provided in Section 9 of this Article.

D. The employee has been away from work for more than eighteen (18) months due to his disability and it is obvious that the disability will continue indefinitely.

E. The employee is absent for three (3) consecutive scheduled work days without notifying the Company of his prospective absence unless it was not reasonably possible for the employee to give such notice.

R.Ap.2

F. The employee is absent for a continuous period including five (5) scheduled work days without permission unless it was not reasonably possible for the employee to request such permission of the Company.

G. The employee has been on layoff from the plants for a continuous period of four (4) years or more.

ARTICLE 18
MANAGEMENT ACTIONS

The Company may discipline, suspend, discharge or dismiss employees for just cause. Such actions may be questioned by the affected employee, and/or the Union, through the grievance procedure and may thereafter be appealed to arbitration. In the event of an appeal of such action to arbitration the arbitrator shall have the right at his discretion to affirm, reverse or modify the action taken.

Those functions involved in the conduct of the business and the direction of the working forces, including, but not limited to, the right to hire, lay off, transfer or otherwise adjust the work forces, are reserved to the Company, except as expressly limited by a provision or provisions of this Agreement.

POLICY ON ABSENTEEISM

Absenteeism adversely effects the efficiency of our manufacturing operation and causes undue hardship upon fellow employees who must be called upon to fill in. In order to manage this adverse factor, Rea Magnet Wire Company, Inc., has implemented an Absenteeism Program designed to encourage good attendance.

ABSENTEE PROGRAM

Employees who develop poor absenteeism records will be handled on a fair and consistent basis with the objective of turning them into productive and dependable workers. They will be consulted about their absences by their supervisor who will explain the Company's program on absenteeism. Unfortunately, not every absentee responds positively to persuasion and those who do not will be involved with a point system disciplinary procedure. When an employee is going to be absent, regardless of reason, he shall so advise the Company in sufficient time to arrange for a replacement. Failure to do so to the extent that management has not been contacted within three consecutive scheduled work days will lead to dismissal. A recording device is installed in the Foreman's Office at the Pontiac Street Plant (Phone No. 424-7392) and at the Adams Center Plant (Phone No. 424-4258) for this purpose. The matter is also addressed in the Collective Bargaining Agreement under "Termination of Seniority".

THE POINT SYSTEM

1. All employees will enter the system with a bank of six (6) positive points.
2. An additional three (3) points will be added to the bank for each calendar month containing no deductions

R.Ap.5

due to tardiness or absences (no limit). The three points will be allowed if tardiness or absences are due to those reasons on the exception list.

3. Two (2) points will be *deducted* for each instance of tardiness or leaving work early.

4. Six (6) points will be deducted for each instance an absence occurs.

5. Six (6) points will be deducted for failure to call in a pending absence prior to the beginning of a scheduled work day.

6. Six (6) points will be deducted for failure to clock in or clock out each scheduled work day.

Definitions: (a) An instance of tardiness or leaving work early is any occurrence:

(1) If an employee is tardy on Wednesday and Thursday, that is 4 points (2 points + 2 points).

(2) If an employee is tardy on Wednesday and leaves work early also on Wednesday, that is 4 points.

(b) An instance of an absence is any full scheduled shift including overtime if scheduled or accepted. Consecutive shifts of absence, however, is considered one instance.

(1) If an employee is absent Tuesday, Wednesday, Thursday, Friday, and Monday (no Saturday or Sunday work scheduled), that is 6 points total.

PROGRESSIVE DISCIPLINE SYSTEM

If at any time an employee's accumulated point count becomes six (6) points or more negative, the following steps will apply.

- 6 points negative = Verbal warning
- 12 points negative = Written warning
- 18 points negative = 3-day suspension
- 24 points negative = 5-day suspension
- 30 points negative = Termination

EXCEPTIONS TO POINT SYSTEM

All absences or tardiness will deduct points except:

1. Management approved vacations.
2. Jury duty.
3. Company announced plant or department closings due to weather, etc.
4. Management approved leave of absence or military leave.
5. Company meetings, seminars, or programs.
6. Absences created by disciplinary time off.
7. Funeral leave as defined by labor contract.
8. Absences created by an employee being hurt on job.
9. Official Union business.

One week (five normal working days) of vacation may be used (one full day at a time) to cover a day's absence due to an emergency if the supervisor is notified at least one day prior to the day of absence.

July 1, 1982

**FIRMS (OTHER THAN WHOLLY-OWNED
SUBSIDIARIES) IN WHICH ALUMINUM
COMPANY OF AMERICA HAS AN
OWNERSHIP INTEREST**

Ace Limited
Acme Metal Works, Ltd.
Aco, S.A.
Aco Alquiler, S.A.
Aco Alquiler Barquisimeto, S.A.
Aco Alquiler Occidente, S.A.
Aco Alquiler Oriente, S.A.
Aco Barquisimeto, S.A.
Aco Guayana, S.A.
Aco Hidraulica, S.A.
Aco Inversora, S.A.
Aco Occidente, S.A.
Aco Oriente, S.A.
Aco Valencia, S.A.
Acometales, S.A.
Adela Investment Company, S.A.
Administradora Almonital, C.A.
Administradora Maracay, C.A.
A.F.P. Pty. Limited
Agro Andina, S.A.
Agroven, C.A.
Agroven (Valle de La Pascua), C.A.
Agus Industriales "La Presa" A.C.
Alcoa Aluminio, S.A.
Alcoa Aluminio Do Nordeste, S.A.
Alcoa Conductor Accessories, Inc.
Alcoa Extruded Products (UK) Limited
Alcoa Fujikura Ltd.
Alcoa of Australia Limited

R.Ap.8

Alcoa of Australia (Asia) Limited
Alcoa Manufacturing (G.B.) Limited
Alcoa Mineracao, S.A.
Alcoa Nederland, B.V.
Alcoa-NEC Communications, Corp.
Alcoa (Bunbury) Pty. Limited
Almexa, S.A. de C.V.
Aludril, Inc.
Aludrum B.V.
Alumar Administracao de Bens, S.A.
Alumar Administracao Industrial, S.A.
Alumet Etten, B.V.
Aluminio, S.A. de C.V.
Aluminio Do Sul, S.A.
Alusud Engenharia Ltda.
Aluwhite Electropaint Limited
Amortiguadores, S.A.
Amuay Motors, C.A.
Armas, S.A.
Arneses y Accesorios de Mexico, S.A. de C.V.
Arrendamientos Aco, S.A.
A/S Skibsinvestering
Asmecca, S.A.
Auto Acarigua, C.A.
Auto Amortiguadores Maturin, S.R.L.
Auto Cabimas, S.A.
Auto Caracas, S.A.
Auto Caracas II, S.A.
Auto Inversora Lamax, S.A.
Auto Oriente, S.A.
Auto Oriente Maturin, S.A.
Auto Servicio Cabimas, S.A.
Auto Servicio Caracas, S.A.
Autoenmar, C.A.

R.Ap.9

Autoespuma, C.A.
Automotriz Andina, S.A.
Automotriz Centragro, C.A.
Automotriz el Trebol, S.A.
Automotriz Lamax, S.A.
Automotriz Panamericana, S.A.
Automotriz Veritas, S.A.
Automotriz Vigia, S.A.
Autoservicio Maturin, C.A.

Boke Service Company, S.A.
Boke Trading, Inc.
B.W.P. (Architectural) Limited

Cafe Tachira, S.A.
Capsulas Metalicas, S.A.
Centro Servicio Automotriz, S.A.
Centromotriz Zulia, C.A.
Ceramics Process Systems Corporation
Coala Insurance Company Limited
Compagnie des Bauxites de Guinee
Companhia Geral de Minas
Complejo Industrial Pedernales, S.A.
Constructora Venezolana de Vehiculos, C.A.
Convemet, S.A.
Corporate Insurance and Reinsurance Company Limited
Corporation for Innovation Development
Covenal Integracion, C.A.
Cummins de Venezuela, S.A.

Deformaciones Plasticas de Metales, C.A.
Delaney Management Company, Inc.
Delta America Re Insurance Company
Delta Holdings, Inc.
Delta International Insurance Company Limited
Distribudora Covenal, C.A.

R.Ap.10

Distribuidora Taunica, C.A.
Dowell Australia Limited
Dowell Brett Pty. Limited
Drumalu B.V.

Elkem A/S & Co.
Empresa Imobiliaria Maranhense Ltda.
Engineered Plastic Components, Inc.
Enmar, C.A.
Espumacar, S.A.
Estampados Del Caribe, C.A.
Expoauto, C.A.

Fabrica de Carrocerias Centauro, C.A.
Fabrica Nacional de Tractores y Motores, S.A.
Fabrica Nacional de Forros y Accesorios
Para Carros, C.A.
Famoven-Goulds, C.A.
Fianzas y Garantias Centa, S.A.
Filtravedo, S.A.
Flotillas y Arrendamientos, C.A.
Flotillera Oriental, C.A.
Fluorsid, S.p.A.
Forauto, C.A.
Forges de Bologne, S.A.
Franquicias Unidas-Occidente, S.A.
Fundimec, S.A.
Funmar, S.A.

Greater Lebanon Hotel Enterprises, Inc.
Grupo Aluminio, S.A. de C.V.
Grupo Covenal Mariara, C.A.

Halco (Mining) Inc.
Harmonia Corretora de Seguros, S.A.
Harmony Trading & Services Company

R.Ap.11

Hidromex Venezolana, C.A.

Hopewell International Insurance Ltd.

Ideal Dominicana, S.A.

Imobiliaria Vargem Dos Bois S/C Ltda.

Induction Billet Corporation

Industrial Ipercosma, C.A.

Industrial Vigia, S.A.

Industrias Fairbanks Morse de Venezuela, C.A.

Industrias Mariara, S.A.

Inmobiliaria Aluminio, S.A. de C.V.

Inmobiliaria Araure, S.A.

Intal, B.V.

Inversiones Almonital, C.A.

Inversiones Araco, C.A.

Inversiones Auen, C.A.

Inversiones Metalurgicas, C.A.

Inversiones Rialpe, S.A.

Inversora Baralt, C.A.

Inversora Central, C.A.

Inversora Covenal, C.A.

Inversora Orinoco, C.A.

Inversora Veritas, C.A.

La Casa Del Amortiguador, S.A.

La Casa Del Amortiguador Barquisimeto, S.A.

Lago Motors, C.A.

Lamzx, S.A.

Lamitref Aluminium N.V.

Lancer Financial Group

Lancer Insurance Company

Lips-Levolor, B.V.

MRCP Limited

Maquinarias Acaigua, S.A.

Maquinarias Aco, S.A.

R.Ap.12

Maquinarias De Occidente, S.A.
Maquinarias Maracay, C.A.
Maquinarias Y Servicios Aco, S.A.
Metalmar, C.A.
Mineracao Ceu Estrelado Limitada
Mineraria Silius, S.p.A.
Moralco Limited
Mosal Aluminum
Motaller, C.A.
Motores La Via, C.A.
Motoriente Anaco, C.A.
Motoriente Ciudad Bolivar, C.A.
Motoriente El Tigre, C.A.
Motoriente Puerto Ordaz, S.A.
Motoriente San Felix, C.A.
Motoservicio Ciudad Bolivar, C.A.
Motoservicio San Felix, C.A.

N.V. Hotelmaatschappij "Torarica"
Norsk Alcoa A/S

Oak Mountain Office Park, Inc.
Occidente Motors, S.A.
Occidente Motors Yaracuy, S.A.

Perfilap Participacoes S/C Ltda.
Pimalco, Inc.
Pimalco Seamless, Inc.
Plascon, C.A.
Portland Smelter Services Pty. Ltd.
Procesos Galvanicos, S.A.

Servicentro Industrial, S.A.
Servico Centa, C.A.
Servicos McPherson, S.R.L.
Servicos Mecanicos, S.A.

R.Ap.13

Servifor, C.A.
Servifor Valera, C.A.
Servifusa, S.A.
Shibazaki Metal Print Co., Ltd.
Shibazaki Seisakusho Limited
Sicam De Venezuela, S.A.
Sinterizaodos Del Caribe, C.A.
Societe De Ceramiques Techniques, S.A.
Swanal Limited

T.G.A. Pty. Limited
TKM Limited
Taller Agromecanica, C.A.
Taller Centroservicio Zulia, C.A.
Talleres Centagro, C.A.
Talleres Guayana, C.A.
Talleres Serindus, C.A.
Talleres Unidos, C.A.
Talleres Unidos De Occidente, C.A.
Taunica Lara, S.A.
Tecnologia Mecanica, C.A.
The Glass & Aluminium Suppliers Pty. Limited
Tortuga Casualty Company
Tracto Guayana, S.A.
Tractosur, C.A.
Transit Casualty Syndicate, Inc.
Trefilerias Mariara, C.A.
Tupla, C.A.
Tupla Argicola, S.A.

Unitalleres, S.A.
United Insurance Company
Universal Adsorbents Incorporated
Universal Insurance Company of Ireland Limited

R.Ap.14

Valfor, S.A.

Venezolana De Produccion Renault, C.A.

